

(S) Business, Labor, and Economic Affairs Committee
Chairman, Hon. Jon Sonju
63rd Montana State Legislature
Capitol Building
Helena, Montana

February 8, 2013

RE: Senate Bill No. 244 "Specify state/tribal compact negotiations for Class III gaming"

Chairman Sonju and Committee Members:

You just heard testimony earlier about the economic benefits of tribal gaming to both the tribes and the State. Right now, I want to provide you with some historical context and discuss how this bill is an opportunity to move forward and work together towards mutual benefit.

SB 244 comes to us as the first opportunity to mend the relationships that were damaged after the 2006 compact negotiations broke down. Because the CSKT and the State failed to come to an agreement, Class III gaming on the Flathead Reservation became illegal overnight and has remained as such to this day. However, SB 244 does not seek to directly authorize Class III gaming on Montana's reservations. Rather, it is a modest bill that simply allows the governor to enter into negotiations with the tribes on the subject of Class III gaming. In other words, this is a bill that restores the opportunity for negotiation and cooperation between the tribes and the State in an area that has great potential for mutual economic and social benefit.

The CSKT believe that this is a step that is more in line with federal law. Congress enacted the Indian Gaming Regulatory Act in response to a Supreme Court decision that recognized the sovereign, inherent right of tribes to authorize and regulate gaming activities. The stated purpose of IGRA is to "promot[e] tribal economic development, self-sufficiency, and strong tribal government." When negotiating compacts for Class III games, IGRA requires that states negotiate in "good faith" with tribes.

The CSKT believes that good faith negotiations are possible. Although the CSKT did not renew the compact with governor Schweitzer in 2006, that was a different time. This is 2013 and a new opportunity for us to reconnect and build something together. Even in California, at one point, many, including Governor Schwarzenegger, went after tribal casinos. But then they realized how vital tribal gaming was to the state economy, as the state makes significant money off of tribal Class III gaming. SB 244 sets the stage for such negotiations to take place here, and we can seize this opportunity to do good for all Montanans.

Allowing for the possibility to negotiate for tribal Class III gaming is also a matter of economic fairness. The truth is that much of the opposition to any expansion of Indian gaming comes from those who already have Class III gaming authorization and want to keep their corner

on the market. These interests do not want Indian gaming to take away their client base or revenue. This is neither an equitable reason to oppose SB 244, nor a reason in line with IGRA's stated purpose to promote tribal economic development and self-sufficiency. Considering that tribal citizens in Montana remain the poorest of the poor, that unemployment rates on the reservations remains high, and that opportunity for economic development is limited, it is only fair to allow tribes an equal opportunity to generate revenue through Class III gaming.

SB 244 would also set the stage for mutual economic development. Many of you might not know this, but the CSKT's KwaTaqNuk Resort brings a significant amount of money to the city of Polson and the local economy. Local governments stand to benefit even more if there is Class III gaming. In the case of the CSKT, money would also trickle into Missoula and Flathead County. It would help drive the tourist industry in both of those counties. All businesses, both Indian and non-Indian, would see significant spikes in income and a decrease in the social ills associated with poverty. With that, the income is there if the State does negotiate with Tribes. The tribes want to move forward with the State and respectfully urge your positive vote on SB 244. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shane Morigeau".

Shane Morigeau
CSKT Tribal Lobbyist